Multi-Payer Advanced Primary Care Practice Demonstration
Questions & Answers - Revised June 17, 2010

DEMONSTRATION DESIGN

1. What is the purpose of this demonstration?

The purpose of this demonstration is to evaluate whether the advanced primary care practice, when supported by Medicare, Medicaid, and private health plans, will (1) reduce unjustified variation in utilization and expenditures; (2) improve the safety, effectiveness, timeliness, and efficiency of health care; (3) increase the ability of beneficiaries to participate in decisions concerning their care; (4) increase the availability and delivery of care that is consistent with evidence-based guidelines in historically underserved areas; and (5) reduce unjustified variation in utilization and expenditures under the Medicare program.

What is unique about this demonstration is that all major payers in the state or proposed region (Medicare, Medicaid, as well as a significant representation of the large private insurers/managed care organizations) will be participating, thereby assuring the availability of sufficient resources to the primary care practice for implementation of the primary care model.

2. What is an "Advanced Primary Care Practice"?

The Advanced Primary Care model (APC), also known as the patient-centered medical home, is a leading model for efficient management and delivery of quality health care services. An APC practice utilizes a team approach, with the patient at the center. The care model emphasizes prevention, health information technology, care coordination and shared decision-making among patients and their providers.

3. Under what statutory authority is this demonstration operating?

This demonstration is being conducted under CMS' statutory demonstration authority (Section 402 of PL 90-248, the Social Security Act, as amended (42 USC 1395b-1), specifically sections 402(a)(1) and 402(b)).

4. How will demonstration sites be selected? How did CMS decide that 6 states would be awarded?

Applications will be reviewed by a panel of government experts to determine whether they meet the basic eligibility requirements outlined in the solicitation. If the number of qualified applications exceeds six, CMS will enter into cooperative agreements with the six most highly ranked qualified applications unless resources are available and a compelling case can be made to increase that number. The determination that six sites would be selected was based on a review of the number of multi-stakeholder projects that were operational across the country, a desire to test a variety of different payment models in different environments, and the resources that CMS would need to implement the demonstration. However, CMS also reserves the right to enter into fewer than or greater than six cooperative agreements at its discretion.

5. How many practices will participate in the demonstration in each state?

The number of practices participating and eligibility of those practices will be determined by the state applicant. The application must provide the specific definition of an "APCP" adopted by the state initiative and discuss how it differs from other common definitions. The application must also describe the methods used to recruit practices to participate and determine whether they meet these requirements.

6. When is the Demonstration scheduled to begin?

Letters of intent are due by COB June 30; applications are due by August 17. Following approval by the Office of Management and Budget, CMS expects to make awards in fall, 2010. The demonstration is expected to be fully operational by early 2011.

7. At what point does a state's project need to be operational?

Although this demonstration is open to all states, it is expected that the states selected, if not already operational on a pilot basis at the time of application, will be operational within six months of notification of selection. The application must accurately document the status of the program.

8. If a state cannot meet the current deadline, may it still apply? Will there be an extension beyond the 3rd year allowing for new participants (physician groups, beneficiaries)?

CMS does not currently anticipate an extension beyond the initial 3 years that would accommodate late entrants nor are there future plans to extend or expand this demonstration beyond the current round of applications.

9. Are there other Medicare medical home demonstrations?

CMS currently has plans to implement 3 separate medical home demonstrations. After the sites have been selected for the Multi-payer Advanced Primary Care Practice Demonstration, we will proceed with implementation plans for the Federally Qualified Health Center Advanced Primary Care Practice Demonstration, and, potentially, a third Medicare Medical Home Demonstration. These two demonstrations are still in the development phase; for additional information and updates, please see the CMS Demonstration web site: http://www.cms.gov/DemoProjectsEvalRpts/MD/list.asp#TopOfPage

PARTICIPATION/ELIGIBILITY

1. Who is eligible to apply for this demonstration? Can a state initiative be lead/convened by a third-party organization (local non-profit) or tribal entity in collaboration with the state?

The applicant must be a state agency with responsibility for developing and implementing multi-payer reform initiatives. The state agency may be a state health department, a Medicaid agency, or other agency operating under state legislative authority, including the general executive authority of the Governor. Local health departments, multi-stakeholder collaboratives, or tribal entities are not eligible to apply independently.

2. Must the whole state participate in the demonstration?

No, states may propose to implement this initiative on either a state-wide or regional/community-specific basis. If a statewide program is proposed, the participating private payers have to cover at least 50% of the state's market share for non-Medicare, non-Medicaid populations.

If a pilot that is less than state-wide is proposed, one of the following requirements below must be met based on how your pilot area is defined:

- If the state pilot is being conducted in selected communities, at least 50% of the community's privately insured residents must be participating in the state pilot; and
- If the state pilot involves practices scattered throughout the state, at least 50% of the participating practices' privately insured patients must participate in the pilot. Note that this option would allow a small number of practices scattered across a state to make up the pilot program.

3. **How can beneficiaries participate in this demonstration? Are there specific eligibility requirements for beneficiaries?**

   The application must describe the criteria to be used to identify Medicare beneficiaries who will be eligible to participate in this state multi-payer initiative and, if applicable, how they will be informed about the program. Eligibility requirements may vary between states, but the application must indicate whether participation will be transparent to the beneficiary or whether some type of application process will be involved. Regardless of the method by which beneficiaries are identified, states may not limit beneficiaries' access to care by any Medicare provider.

   To be covered under this demonstration, beneficiaries must have Medicare Parts A & B (be traditional Medicare FFS and not enrolled in a Medicare Advantage Plan), Medicare must be their primary insurer, and they may not be participating in another, competing Medicare demonstration. However, CMS encourages the participation of managed care organizations that have Medicare Advantage plans to participate in this multi-payer initiative on behalf of the beneficiaries enrolled in those plans.

4. **The application says "CMS generally expects that up to 150,000 eligible beneficiaries will be assigned to participating APCPs." Is that number of expected participants meant to apply within an individual state or across the 6 states which will receive an award?**

   CMS expects that no more than 150,000 beneficiaries will participate **in any one state**. However, if a state can make a compelling case for a demonstration that includes greater beneficiary participation, it would receive consideration.

5. **Are all other payers in the state required to participate in the demonstration? Is there a minimum of covered lives as a requirement for participation?**

   The state initiative must include participation by Medicaid, private health plans offering coverage in both the group and individual health insurance market, and self-insured employer-sponsored group health plans. To the extent these payers are not currently participating in the program, they must be participating at the same time that Medicare joins the multi-payer initiative. Participating private individual/group health insurers and/or self-insured employer sponsored health plans must together enroll more than half of all state residents covered under group or individual health plans. The purpose of this requirement is to assure the availability of the resources that participating practices need to support implementation of the advanced primary care model. States must demonstrate a commitment to the APCP reforms by a majority of primary care physicians in the state or area where the demonstration is proposed to be implemented.

6. **How can physicians participate in this demonstration?**

   Participation in this demonstration is determined by each state which must have its own means of identifying and enrolling primary care practices. Primary care physicians who wish to express their support or interest in participating in the demonstration should work with their state medical societies or other organizations that represent physicians practicing in the state. State applicants should include such letters of support in their proposals as evidence of this commitment.

7. **Can practices participating in this demonstration participate in other Medicare demonstrations? What about ACOs?**

In general, participation in one Medicare Demonstration precludes participation in another Medicare Demonstration where such participation could result in duplicate payment for similar services and/or compromise the evaluation of one or both demonstrations. Because of the nature of the MAPCP demonstration, it could potentially impact several other currently ongoing Medicare demonstrations. As a result, many states, in whole or in large geographic areas, could be precluded from participating in the MAPCP demonstration. We are encouraging those states where this is a factor to explore whether they can pilot this demonstration in areas of their states where there is not any other demonstration. However, we are also exploring options for how we may be able to modify one or more demonstrations to accommodate co-location with the MAPCP Demonstration. We hope to have a final answer in the near future but, as a result, are extending the due dates for the letter of intent and application.

The ACO program that was authorized under the recent health care reform legislation is considered by CMS to be a program rather than a demonstration and, therefore, will not conflict with this demonstration. Participants in this demonstration will not be excluded from becoming ACOs under that program once it is operational to the extent they are otherwise eligible.

States applying for the demonstration will be required to submit a written statement that each participating practice agrees not to apply to participate in any Medicare demonstration for the duration of this demonstration.

8. Are other providers such as physician specialists, nurse practitioners, or chiropractors eligible to participate?

Eligibility to participate in this demonstration shall be determined by each state submitting an application. This includes participation by nurse practitioners, physician assistants, and/or other providers. However, the advanced primary care practice model and the demonstration focuses on providers who are able to not only provide primary care medical services to patients but also coordinate care with other providers, including specialty care and care transitions between the hospital, community or other institutional setting.

9. Are FQHCs and provider-based (i.e. hospital-owned) practices allowed to participate in the demonstration?

FQHCs and hospital-owned practices are allowed to participate in the demonstration to the extent that they participate in a state initiative selected for the demonstration.

10. Does referral to a physician participating in the MAPCP demonstration constituent participation in the demo by the referring physician (for purposes of determining whether a practice is participating in only one CMS demo?

No, CMS does not consider referral to a provider participating in the MAPCP demonstration to be participation in that demonstration by the referring provider.

LETTERS OF INTENT/APPLICATIONS

1. What is the deadline for letters of intent?

CMS asks that a notice of intent to apply be submitted no later than 5 pm Eastern time June 30, 2010. For those states that submit a notice of intent to apply for the demonstration, CMS will provide aggregate Medicare utilization and expense data for residents in their state to facilitate projections of budget neutrality. Formal letters of intent should be sent via email to CMS at mapcpdemo@cms.hhs.gov. The letters should be in .pdf format and must be signed by an appropriate authorized official at the state.

2. Is the letter of intent, due June 30, 2010, binding?

No, the letter of intent is not binding; it is merely an expression of a state's interest in participating and assists CMS in planning. In addition, by submitting a letter of intent, CMS will be able to provide you with baseline utilization and claims data on Medicare beneficiaries residing in your state. These data will assist states in estimating and documenting that the demonstration project will be budget neutral.

3. What is the deadline for submitting the application?

The deadline for submission of applications is August 17, 2010, (by close of business, 5 pm Eastern Time.) Information about where to send the application, the number of copies and format is provided in the solicitation.

4. Can CMS provide copies of previously submitted successful applications to guide states in the preparation of applications?

This demonstration does not closely resemble any demonstration conducted by CMS to date, so previous applications would not provide useful guidance. Additionally, applications for Medicare demonstrations are generally not made public as they often contain proprietary information. The criteria for eligibility are in the demonstration solicitation which appears on the demonstration webpage, as are the format requirements. Additionally, the Q & A document on the webpage will be regularly updated and reposted to reflect more recent questions and CMS' responses. Questions may also be emailed to our dedicated demo mailbox at:

mapcpdemo@cms.hhs.gov.

PAYMENT

1. How much will doctors be paid under this demonstration?

Under this demonstration, physicians will continue to receive payment for traditional Medicare fee-for-service claims in the standard manner. However, states must describe in their application the specific methods that will be used to pay participating practices for services that are not otherwise covered under the traditional Medicare fee-for-service program. These payment methods may include, but are not limited to: a monthly fee for each participating beneficiary attributed to a participating practice, an add-on to otherwise payable fees for covered services, and pay-for-performance incentives. Payment for community-based practice support may be made separately from payments to participating practices. It is expected that total CMS payments to participating providers and other entities will not exceed $10 per participating beneficiary per month.

2. Do the practices participate in shared savings?

If the state's initiative includes a shared savings model, it is anticipated that Medicare will also use this model for Medicare beneficiaries in the demonstration. In their applications, states are expected to provide information on the payment model(s) being used in their initiatives and that Medicaid and the other private insurers are administering.

3. Can a practice collect the PMPM fee prior to receiving an "advanced primary care practice" (APCP) or medical home designation? Will practices be required to show evidence of meeting certain medical home (MH) qualifications/certification?

If the participating state's initiative allows for payment to practices that have not yet received a medical home designation, then Medicare will also allow for payment. States should provide a rigorous description of

qualification requirements in its application. It is up to the state to define and determine the standards for designating medical homes. CMS will not impose any specific medical home model or definition.

4. Can payers implement different payment methodologies and in different amounts in a state initiative?

CMS generally expects that an application will identify only one payment arrangement to be used across all participating practices and by all payers. However, this payment may combine different types of reimbursement such as a monthly per beneficiary payment and a pay-for-performance incentive. Consideration may be given to applications that will test different payment methods in different communities, but only if a compelling case is made that the different payment methods are necessary and can be meaningfully evaluated. Regardless of the payment methodology, CMS expects that the Medicare payment amounts would be comparable to the payments paid under Medicaid or private FFS plans.

5. Will CMS entertain applications that focus on high risk populations with PMPMs?

This demonstration is intended to look more broadly at the issues of care coordination for all patients, including patient with multiple chronic conditions, rather than on specific disease states or high risk populations, as has been the case with previous disease management/care coordination demonstrations.

6. Can there be different payment rates for patients with different conditions? Can they be higher than the $10 per patient per month cited in the solicitation?

Differential payment rates for patients based on the projected intensity of their care coordination needs may be proposed. However, it is expected that whatever payment model is used it will be consistent across all payers and patients with similar conditions. If tiers or differential rates are proposed, the overall average monthly payment rate for all Medicare beneficiaries is expected to be within the $10 range. Consideration may be given to marginally higher expenditures but only if a compelling case can be made that shows why the higher payment is necessary and only to the extent that all other payers are making similar payments.

7. How did CMS arrive at a $10 payment?

The $10 per beneficiary per month limit was based on the range of payments being offered as reported in a recent article by Bitton et al in the Journal of General Internal Medicine

www.ncbi.nlm.nih.gov/pubmed/20467907

The $10 must include payments to physicians, as well as any payments to the state or other entities for community-based services and/or other implementation costs, as outlined in the solicitation requirements. Should the total payment exceed $10 per beneficiary per month, the applicant must demonstrate that the excess is justified by compelling evidence of a commensurate improvement in performance.

BUDGET NEUTRALITY/MEDICARE HISTORICAL DATA

1. Please provide a description of budget neutrality? Will budget neutrality be determined for each year of the demonstration or for all 3 years of the demonstration?

Budget neutrality assumes that all Medicare payments under the demonstration will be less than or equal to the costs incurred for similar populations in the absence of the demonstration.

CMS expects each state's project to be budget neutral over the course of the three-year demonstration, rather than annually. We realize that there may be initial implementation costs and that the impact of the medical

home program on beneficiary utilization and expenditures may not be immediate, thereby resulting in net costs during the early period of the demonstration. However, we will monitor expenditures on an ongoing basis to ensure that they are on course to being budget neutral across the three years of the demonstration.

2. When will historical utilization and expenditure patterns by fee-for-service Medicare beneficiaries be made available? For which year(s)?

Upon receipt of a state's letter of intent (due June 30), CMS will prepare and transmit electronically aggregate claims data reflecting Medicare expenditures for beneficiaries residing in that state in calendar year 2008. These data are being provided to assist states in estimating cost savings/budget neutrality under the demonstration. The data will be accompanied by several explanatory documents.

DEMONSTRATION MONITORING AND EVALUATION

1. Are measures for tracking and evaluation defined or are they left up to the participants' specifications?

The state initiative must include a well-designed evaluation plan to monitor performance and provide feedback to participating payers, providers, and communities. The evaluation will address how the intervention has affected access), quality), and patterns of utilization and expenditure. The state's application to CMS must describe the specific questions the evaluation will address, how the effect of the state initiative will be determined, and how the results of the evaluation will be used by the state and other stakeholders.

In addition, CMS will undertake its own evaluation of the demonstration through a contract with an outside entity. CMS requires that all of the payers, as well as other entities participating in this demonstration, commit to full cooperation with this evaluation. Findings from the demonstration will be compared to those of a control/comparison population.

2. What kind of data will the state and/or other payers participating in the MAPCP be expected to submit to CMS as part of the demonstration and/or as part of CMS' evaluation?

For purposes of evaluating the demonstration, the type of data States and/or other payers will be expected to submit to CMS will be tailored to the features of the State's initiative and components of the State's own evaluation. Such information might include patient survey or other evaluative data being collected by the state as part of its own monitoring and evaluation activities. Evaluation findings will serve to inform the agency of the impacts of the demonstration on participating beneficiaries, especially dual eligibles, as well as spillover effects on state's Medicaid programs or private payers.

3. What other data will the state be expected to submit to CMS as part of the demonstration?

In addition to data necessary to support the evaluation, the states must be able to provide information necessary to support payment by Medicare to providers participating in the demonstration. This includes regularly updated data on which providers are participating in the demonstration and the beneficiaries who are assigned to / affiliated with those practices. The exact data needed and the timing for when it must be provided may vary based on the payment methodology and design of each state's project.

ADDITIONAL INFORMATION

1. Where can one get more information about the demonstration and about how to apply?

For more information, including information about how to apply, please see the solicitation which is on the CMS demonstration web site:

http://www.cms.gov/DemoProjectsEvalRpts/MD/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=3&sortOrder=descending&itemID=CMS1230016&intNumPerPage=10

Questions may be emailed to: mapcpdemo@cms.hhs.gov.

2. How can one subscribe to receive updates to your website as they become available?

New information will be disseminated through the demonstration's dedicated webpage at:

http://www.cms.gov/DemoProjectsEvalRpts/MD/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=3&sortOrder=descending&itemID=CMS1230016&intNumPerPage=10

To get an email notification at the time an addition or change is made to our webpage, please go to the webpage and

- Click on the link, "Webpage Automatic Notification Subscription".
- Provide the requested information.
- Any time there is an update to the webpage, you will be notified by email. The nature of the most recent update(s) will be described on the demonstration overview webpage in a section entitled, "CURRENT UPDATES TO THIS WEBPAGE."

3. Can CMS supply information regarding states' current participation in other Medicare Demonstrations?

A list of existing Medicare demonstrations has been posted on our webpage which reflects the states and counties in which they are located. To the extent feasible, we encourage states affected by these demonstrations to propose regions of their states that are outside these areas. We are continuing to explore ways we might be able to accommodate multiple demonstrations in one region if we can avoid duplicate payments for similar services and avoid jeopardizing our ability to effectively evaluate each demonstration.